

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 99-808

August 30, 2000

HJN TELECOM, INC.  
Petition for Finding of Public Convenience  
and Necessity to Provide Service as a  
Facilities-Based and Reseller Local  
Exchange Telephone Utility

ORDER GRANTING AUTHORITY  
TO PROVIDE LOCAL EXCHANGE  
SERVICE AS A RESELLER AND  
APPROVING SCHEDULE OF RATES  
AND TERMS AND CONDITIONS

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WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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In this Order, the Commission grants HJN Telecom, Inc. (HJN or Company) the authority to provide competitive local exchange service as a reseller, and approves the Company's Terms and Conditions and Rate Schedules. We also exempt HJN from the requirements of Chapter 210, *Uniform System of Accounts*, and of 35-A M.R.S.A. §§ 707 and 708, subject to the conditions described below.

**I. APPROVAL OF APPLICATION TO SERVE**

On November 12, 1999, pursuant to 35-A M.R.S.A. §§ 2102 and 2105, HJN filed a petition with the Commission requesting authority to provide local exchange telephone service as a reseller in Maine.

HJN obtained authority to provide interexchange service on August 24, 1998 under Docket No. 98-475.

Before we grant approval under section 2102 for another public utility to provide service, 35-A M.R.S.A. § 2105 requires us to find that the public convenience and necessity require another utility to provide service in a location where utility is already authorized to provide, or is providing, the same or similar service.

47 U.S.C. § 253(a), enacted by the Telecommunications Act of 1996, states:

(a) In General. No State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunication service.

47 U.S.C. § 253(b) states, however:

(b) State Regulatory Authority. Nothing in this section shall affect the ability of a State to impose, on a competitively neutral basis and consistent with section 254, requirements necessary to preserve and advance universal service,

protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers.

We find that granting HJN the authority to provide resold local exchange services in Maine will not impede the preservation or advancement of the public interest goals or policies stated in section 253(b).

HJN's application provides reasonable information indicating that its financial and management capabilities are adequate to provide local and interexchange services in Maine.

## **II. SERVICE TERRITORY FOR LOCAL EXCHANGE SERVICE**

### **A. Local Service Authority**

HJN has requested authority to provide local exchange service as a reseller throughout the state. We define local resale as the offering of local exchange service purchased from another competitive local exchange carrier (CLEC) pursuant to 47 U.S.C. § 251(b)(1) or from an incumbent local exchange carrier (ILEC) at a wholesale discount pursuant to 47 U.S.C. § 251(c)(4). The purchase of unbundled network elements from an ILEC and their use in providing local exchange service is facilities-based service and is not resale. HJN's authority to provide local exchange service is limited to resale unless it obtains further authorization from the Commission.

If HJN wishes to expand the scope of its authority in the future to provide facilities-based switched local exchange services, it shall seek approval pursuant to 35-A M.R.S.A. § 2102, requesting the Commission to amend this Order. HJN's proposed service territory for facilities-based local exchange service shall be limited to those areas in which it will be ready to provide facilities-based switched local exchange service within six months. It is not necessary for a CLEC with existing authority to present a full application in order to request additional service territory authority. The Commission will act expeditiously on any such application and revisions of Terms and Conditions. With any such application, HJN shall include information establishing a readiness to provide facilities-based local service within six months in the specifically identified additional areas.

## **III. APPROVAL OF TERMS AND CONDITIONS AND RATE SCHEDULES**

We allow the terms and conditions proposed by HJN to go into effect. HJN has used the Commission's standard terms and conditions that comply with Maine law and the Commission's Rules. We have reviewed the Company's petition, Terms and Conditions, and Rate Schedules, and they appear to comply with Maine law and the Commission's Rules. Nevertheless, if there is any conflict between a provision in HJN's terms and conditions and the Commission's Rules or a statute, the rule or statute will

control. Included in the Terms and Conditions is a provision stating that in the event of such a conflict, the statute or the Commission's Rule will control.

In general, the Commission believes that a competitive telecommunications market results in services and rates that benefit the public. We believe that the acceptability of HJN's services and rates in the market place provides an adequate test of the reasonableness of the Company's rates. Accordingly, we allow the rates proposed by HJN to go into effect.

#### **IV. INTERCONNECTION AGREEMENT(S)**

In order to provide local exchange service, a CLEC must, as a practical matter, obtain an interconnection agreement with the ILEC(s) providing service in any area where it intends to provide service. In the absence of such an agreement, it will not be possible for HJN's customers to call customers of the ILEC(s), and vice versa. Interconnection agreements are governed by 47 U.S.C. § 252, and must be approved by this Commission.

If a CLEC makes a bona fide request for an interconnection agreement with an ILEC that is a "rural telephone company" as defined in 47 U.S.C. § 153(37), the "rural exemption" of 47 U.S.C. § 251(f) will apply. All of Maine's independent incumbent local exchange carriers are "rural telephone companies." A rural telephone company is not required to negotiate an interconnection agreement or provide interconnection until after the Commission, pursuant to 47 U.S.C. § 251(f)(1)(B), finds that the requirement "is not unduly economically burdensome, is technically feasible, and is consistent with [the universal service provisions of] section 254 . . . ." Although the service territory we grant today is statewide and HJN's terms and conditions do not limit its service territory, as a practical matter it cannot offer local exchange service in the service territory of a rural ILEC until such time as that ILEC's rural exemption is terminated.

As of the date of this Order, HJN had recently executed an interconnection agreement with Verizon and HJN expects that it will be filed soon for approval by the Commission pursuant to 47 U.S.C. § 252. As a condition of providing local exchange service, HJN must comply with the terms of any interconnection agreements that it has reached with any ILECs and that have been approved by the Commission.

#### **V. WAIVERS; REPORTING REQUIREMENTS**

As a condition of providing local exchange service, HJN must comply with the terms of any applicable Commission orders or rules that may govern local interconnection and compensation for interconnection. HJN shall also comply with any applicable Commission Rules or orders that govern universal service, public safety and welfare, service quality and consumer rights.

Pursuant to sections 11(A) and 12(A) of Chapter 280, which govern carriers' interexchange activities, HJN is exempt from Chapter 210 of the Commission's Rules, which governs telephone utility accounting and annual financial reports, and from 35-A

M.R.S.A. §§ 707 and 708, which govern approvals for reorganizations and contracts with affiliated interests. Although HJN has not requested waivers from the requirements of Chapter 210, and from 35-A M.R.S.A. §§ 707 and 708 for its local exchange service. The Commission has the authority to grant such waivers on its own motion, and we do so. Because HJN's rates and operations are likely to be subject to market forces, we do not see any present need to subject the Company to those requirements.

However, the Company must report its annual intrastate gross operating revenues, its revenues derived from sales to other carriers, and its annual intrastate minutes for use for the purpose of determining its regulatory assessment.<sup>1</sup> If HJN resells service to other switched or switchless telephone service providers, the Company must maintain its records so that it may separately identify those sales. Pursuant to Chapter 280, § 11(B), HJN

shall maintain records sufficient to identify and to allow auditing of traffic volumes, intrastate interexchange billings for both retail and wholesale services, and all information that is necessary to calculate access or interconnection charges in accordance with this Chapter. Those records shall be maintained for a minimum of 2 calendar years.

The exemptions from the affiliated interest approval requirements of 35-A M.R.S.A. §§ 707 and 708 granted by Chapter 280, § 12(A) are subject to the notice requirements contained in Chapter 280, §§ 12(B) and (C) and in the ordering paragraphs below.

In addition, HJN shall inform the Commission of any changes to its corporate structure and ownership and of any changes in the name under which it does business, as set forth in the ordering paragraphs below. If necessary, it shall also refile its rate schedules and terms and conditions to reflect its new identity.

## **VI. OTHER REQUIREMENTS**

HJN shall comply with all applicable rules of the Commission and statutes of the State of Maine, including the customer notification rule described in the ordering paragraphs below.

## **VII. ORDERING PARAGRAPHS**

Accordingly, we

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<sup>1</sup>The Commission mails the annual reporting forms to carriers in January of each year. The completed forms are due by April 1 of each year.

1. Grant, pursuant to 35-A M.R.S.A. §§ 2102 and 2105, the request of HJN to provide competitive local exchange telephone service as a reseller in the State of Maine, and facilities-based and resold interexchange service in the State of Maine;
2. Exempt HJN from the requirements of Chapter 210 of the Commission's Rules, except that it must report the revenue and minutes of use information that is requested by the Commission, on or before April 1 of each year;
3. Exempt HJN from approval requirements of 35-A M.R.S.A. §§ 707 and 708, but HJN shall provide notice to the Commission of any reorganization, as defined in 35-A M.R.S.A. § 707(1)(A), that results in a merger, sale or transfer of a controlling interest of HJN or of any entity that owns more than 50% of HJN. The notice required by this subsection shall be filed within 10 days following any reorganization described herein, as required by Chapter 280, § 12(B). As required by Chapter 280, § 12(C), HJN shall also provide notice of any other changes in the name under which it does business (d/b/a), any change of the location of its business office, and any change of its contact person. HJN shall provide the Administrative Director of the Commission with notice of any of the changes described within 30 days following the change. If necessary, HJN shall amend its rate schedules and terms and conditions to reflect any change in identity;
4. Order that HJN's proposed terms and conditions and rate schedules filed on November 12, 1999 (with its application) shall be effective on the date of this Order; and
5. Order that HJN shall comply with all applicable rules of the Commission.

Dated at Augusta, Maine, this 30<sup>th</sup> day of August, 2000.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:     Welch  
   Nugent  
   Diamond

#### NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of

review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.